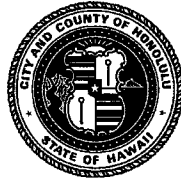


OFFICE OF THE MAYOR
CITY AND COUNTY OF HONOLULU
530 SOUTH KING STREET, ROOM 300 * HONOLULU, HAWAII 96813
PHONE: (808) 768-4141 * FAX: (808) 768-4242 * INTERNET: www.honolulu.gov



KIRK CALDWELL
MAYOR

ROY K. AMEMIYA, JR.
MANAGING DIRECTOR

GEORGETTE T. DEEMER
DEPUTY MANAGING DIRECTOR

May 5, 2015

The Honorable Ernest Y. Martin
Chair and Presiding Officer
and Members
Honolulu City Council
530 South King Street, Room 202
Honolulu, Hawaii 96813

RECEIVED
CITY CLERK
C & C OF HONOLULU
2015 MAY -8 PM 12:29

Dear Chair Martin and Councilmembers:

Subject: Cost Items – Hawaii Government Employees Association,
Bargaining Units 2, 3, and 4

Pursuant to Sections 89-10(b) and 89C-2(4), Hawaii Revised Statutes (HRS), I am submitting for your action the cost items as contained in the contract settlements and ratifications dated April 28, 2015 and April 30, 2015, for HGEA Units 2, 3, and 4. The respective collective bargaining agreements are effective from July 1, 2015 to and including June 30, 2017.

According to Chapter 89, HRS, cost items require Council action. Section 89-10 (b), HRS provides, in part:

"The state legislature or the legislative bodies of the counties acting in concert, as the case may be, may approve or reject the cost items submitted to them, as a whole. If the state legislature or the legislative body of any county rejects any of the cost items submitted to them, all cost items submitted shall be returned to the parties for further bargaining."

Section 89C, HRS, also requires Council action for cost items for excluded employees. Section 89C-2(4), HRS, provides that:

"For excluded employees under the same classification systems as employees within collective bargaining units, adjustments shall be not less than those provided under collective bargaining agreements for employees hired on a comparable basis."

The Honorable Ernest Y. Martin
Chair and Presiding Officer
and Members
May 5, 2015
Page 2

Attached is a summary of the cost items, including estimated salary costs for included and excluded employees in Units 2, 3, and 4. Wage adjustments for managerial employees excluded from Unit 4 are not covered herein.

Should you have any questions, please contact Carolee C. Kubo, Director of Human Resources and the City's designee for collective bargaining, at 768-8500.

Sincerely,

A handwritten signature in black ink, appearing to read 'Kirk Caldwell', with a long horizontal flourish extending to the right.

Kirk Caldwell
Mayor

Attachments

cc: Department of Budget & Fiscal Services



RESOLUTION

APPROVING COLLECTIVE BARGAINING COST ITEMS FOR THE INCLUDED AND EXCLUDED EMPLOYEES OF THE CITY AND COUNTY OF HONOLULU IN BARGAINING UNITS 2, 3, AND 4 (HAWAII GOVERNMENT EMPLOYEES ASSOCIATION).

WHEREAS, Chapter 89, Hawaii Revised Statutes (HRS), establishes a statewide collective bargaining process for public employees; and

WHEREAS, pursuant to Chapter 89, HRS, the employers and representatives of Bargaining Units 2, 3, and 4 (Hawaii Government Employees Association) began negotiations in June 2014, concerning collective bargaining agreements for the employees in the bargaining units; and

WHEREAS, the parties agreed to new contracts which were ratified on April 28, 2015 and April 30, 2015; and

WHEREAS, the new collective bargaining agreements make adjustments to wages and is effective from July 1, 2015 through June 30, 2017; and

WHEREAS, pursuant to Section 89-10(b) and 89-11(g), HRS, the cost items are subject to appropriations by the respective legislative bodies; now therefore,

BE IT RESOLVED by the Council of the City and County of Honolulu that it approve the collective bargaining cost items for the included and excluded employees of the City and County of Honolulu in Bargaining Units 2, 3, and 4, a summary of which is attached as Exhibit A; and



CITY COUNCIL
CITY AND COUNTY OF HONOLULU
HONOLULU, HAWAII

No. _____

RESOLUTION

BE IT FINALLY RESOLVED that copies of this Resolution be transmitted to the Mayor and Director of Human Resources of the City.

INTRODUCED BY:

DATE OF INTRODUCTION:

Honolulu, Hawaii

Councilmembers

COLLECTIVE BARGAINING REPORT TO CITY COUNCIL HGEA AGREEMENT FOR BARGAINING UNITS 2, 3, AND 4

The current collective bargaining agreements for Bargaining Units 2, 3, and 4, with the Hawaii Government Employees Association (HGEA) expire on June 30, 2015. Negotiations for successor agreements began in June 2014. The Employer and Union tentatively agreed to new contracts between April 17 – 26, 2015. HGEA held statewide ratification meetings from April 21-30, 2015.

The settlement covers the following City employees:

Bargaining Unit	Included	Excluded	Total
02 - Blue Collar Supervisors	215	0	215
03 - White Collar Non-supervisory	1,807	195	2,002
04 - White Collar Supervisory	148	2	150
TOTAL	2,170	197	2,367

(Based on filled positions as of March 31, 2015)

Summary of Settlement

I. Duration

Each agreement is effective from July 1, 2015, to and including June 30, 2017.

II. Salaries

A. Bargaining Unit 2

1. Effective 7/1/15, continuation of step movement plan.
2. Effective 7/1/15, increase the rates on the salary schedule by 0.3%, and 0.3% increase to employees not assigned to the salary schedule.
3. Effective 7/1/15, employees on Steps A and L1 move to Step L2. Delete Steps A, L1, and L5 and rename the remaining steps A1, B1, C1.
4. Effective 7/1/15, employees who are on the maximum step as of 6/30/15, or employees not assigned to the salary schedule, or employees who do not move to a new step during the period 7/1/15 – 6/30/16 shall receive a 2% lump sum bonus.
5. Effective 10/1/15, increase the rates on the salary schedule by 2.0%, and 2.0% increase to employees formerly on step L5 or not assigned to salary schedule.

6. Effective 4/1/16, increase the rates on the salary schedule by 2.0%, and 2.0% increase to employees formerly on step L5 or not assigned to salary schedule.
7. Effective 7/1/16, continuation of step movement plan.
8. Effective 10/1/16, increase the rates on the salary schedule by 2.0%, and 2.0% increase to employees formerly on step L5 or not assigned to salary schedule.
9. Effective 4/1/17, increase the rates on the salary schedule by 2.0%, and 2.0% increase to employees formerly on step L5 or not assigned to salary schedule.

B. Bargaining Units 3 and 4

1. Effective 7/1/15, eligible employees receive “catch up” steps on the step movement plan.
2. Effective 7/1/15, continuation of step movement plan.
3. Effective 7/1/15, employees who are on the maximum step as of 6/30/15, employees not assigned to the salary schedule, or employees who do not move to a new step during the period 7/1/15 – 6/30/16 shall receive a one-time lump sum payment of \$1,500.
4. Effective 7/1/16, continuation of step movement plan.
5. Effective 7/1/16, all employees shall receive a lump sum payment of \$1200. Employees who are less than full-time shall receive a prorated amount.
6. Effective 1/1/17, increase the rates on the salary schedule by 1.6%, and 1.6% increase to employees between steps, exceeding the maximum step, or not assigned to a salary schedule.

The following chart summarizes the City's estimated salary costs for the two-year contract period:

SALARY COSTS FOR BARGAINING UNITS 2, 3, & 4			
	FY 2016	FY 2017	TOTAL
Without BWS			
Included Employees	\$5,894,472	\$10,794,024	\$16,688,496
Excluded Employees	\$543,539	\$919,735	\$1,463,274
TOTAL	\$6,438,011	\$11,713,759	\$18,151,770
With BWS			
Included Employees	\$6,509,507	\$11,798,104	\$18,307,611
Excluded Employees	\$582,777	\$990,798	\$1,573,575
TOTAL	\$7,092,284	\$12,788,902	\$19,881,186

III. Standby Pay (Bargaining Unit 2 only)

- A. When assigned to standby duty, an employee shall be paid an additional amount equal to 25% of the employee's daily rate for each portion of a calendar day, up to a maximum of 2 portions.

The following chart summarizes the City's estimated increase in Standby Pay costs for Bargaining Unit 2 for the two-year contract period:

STANDBY PAY COSTS FOR BARGAINING UNIT 2		
	FY 2016	FY 2017
TOTAL	\$40,096	\$47,318

IV. Employer-Union Health Benefits Trust Fund (EUTF)

- A. Effective 7/1/15, the Employer will pay specific dollar amounts for the PPO and HMO plans which are equivalent to the Employer Contribution rates from the previous year plus an increase of \$10, \$20 or \$30, for the self-only, two-party and family rates, respectively. The Employer will pay specific monthly contributions which are generally equivalent to 60% of the premium cost and 60% of the administrative fees for all other plans except the life insurance plan (for which the Employer shall 100% of the premiums and fees).

- B. Effective 7/1/16, the Employer will pay specific dollar amounts for the PPO and HMO plans which are equivalent to the Employer Contribution rates from the previous year plus an increase of \$10, \$20 or \$30, for the self-only, two-party and family rates, respectively. The Employer will pay specific monthly contributions which are generally equivalent to 60% of the premium cost and 60% of the administrative fees for all other plans except the life insurance plan (for which the Employer shall 100% of the premiums and fees).

The estimated increase to EUTF costs for bargaining units 2, 3, and 4 is as follows:

EUTF COSTS FOR BARGAINING UNITS 2, 3, & 4		
	FY 2016	FY 2017
TOTAL	\$657,616	\$1,214,877